



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	HB0597
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<b>Title:</b>	Lower utility rates
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<b>Primary Sponsor:</b>	Kerns, Krayton
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<b>Status:</b>	As Introduced
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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$114,772	\$100,372	\$100,372	\$100,372
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### Description of fiscal impact:

HB 597 would require regulated electric utilities to offer electricity supply out of two portfolios, traditional (non-QF coal, hydro and/or natural gas) and non-traditional (qualifying facility, renewable, customer-generated, peaking facilities, ancillary services), and would require PSC review of the two portfolios and probably annual reviews as well of rate changes of each portfolio. The activities that the PSC currently undertakes to review NorthWestern Energy's biennial electricity supply resource plan and to determine NorthWestern Energy's rates would significantly increase by having to undertake those activities for two portfolios instead of one. The PSC estimates the increased workload would require the addition of 1.00 FTE rate analyst and 0.50 FTE attorney.

### FISCAL ANALYSIS

#### Assumptions:

#### **Public Service Commission (PSC)**

1. The regulated electric utilities to which this bill would apply are NorthWestern Energy and Avista.
2. One 1.00 FTE utility rate analyst will be required at an estimated annual salary (plus benefits) of \$63,246 in each year of the biennium. An office package and desktop computer will be required in FY 2010 at a cost of \$2,600.

3. One 0.50 FTE attorney will be required at an estimated annual salary (plus benefits) of \$37,126 in each year of the biennium. An office package and desktop computer will be required in FY 2010 at a cost of \$2,600.
4. Training at NARUC Regulatory Studies Program in FY 2010 will cost approximately \$2,100 for registration and \$2,500 for travel for each FTE.

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b>Public Service Regulation</b>				
<b><u>Expenditures:</u></b>				
Personal Services	\$100,372	\$100,372	\$100,372	\$100,372
Operating Expenses	\$14,400	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<b>\$114,772</b>	<b>\$100,372</b>	<b>\$100,372</b>	<b>\$100,372</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$114,772	\$100,372	\$100,372	\$100,372
<b>TOTAL Funding of Exp.</b>	<b>\$114,772</b>	<b>\$100,372</b>	<b>\$100,372</b>	<b>\$100,372</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$114,772)	(\$100,372)	(\$100,372)	(\$100,372)

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*